



Among the Men who Work with Hand or Brain



Fake Private Bank "Graft" Cheap and Easy Business. Proof of Figuring Profits by the Lightning System.

By J. Malcolm Stewart.

DON'T work for wages; start a private bank. What? You have no capital? Well, don't let a little thing like that trouble you. Capital isn't needed to start a private bank, in fact, it is superfluous. All you need is enough money or credit to secure the furniture necessary to fit an office and pay for your printing; enough to pay a month's rent, and the public will do the rest. It will furnish all the capital in an unbelievably short time. All you need to do is to get the start, to get a place where you can keep money. Incidentally you must be thoroughly dishonest and unscrupulous to make a success at this business; but, possessing these qualifications there is no reason except that the police have been perpetually active recently, why anyone should work for a living.

Apparently in the long list of fake get rich quick give-us-your-money-and-we'll-do-the-rest concerns there is none that has more plentiful, more remunerative, more easy "graft" than the private bank. The "bucket shops," the fake mining companies, the investment companies, all have to deal with small amounts of money, and the managing spirits thereof must perform such arduous labor as writing letters, signing bonds and "talking" their stocks. The "president" of a private bank sits back in his luxurious leatherette chair, blows the smoke of a near Havana to the roof of his palatial office, and condescendingly accepts the mite of the widow and the capital of the small-business man as deposits in his bank.

People come to him with money in their hands and bow to him, imploring that he will take it and keep it for them, for he is surrounded by the halo of awe with which the great American public loves to surround the name "banker." He takes said money and keeps it; how well he keeps it is testified to by hundreds of angry depositors who have clamored for deposits made in just such banks. He keeps it so well that no one is able to get at it but himself. The money is safe with him and safe for him. No one will break in and steal nor will race-playing cashiers abscond with the bank's funds, for the president will guard them with the care and jealousy of a man guarding his own.

No Real Money Is Needed.

The usual idea that it requires a large amount of capital to open a bank is sadly shattered when the amount of capital invested by a certain class of private-banks is known. Many trusting persons have learned to their dismay that the money they so trustingly put into the hands of private bankers was placed in the hands of men who had little or no capital of their own, and who were in nowise the kind of men to be trusted with people's funds. They have learned, now when it is too late, that the chances for the return of their money are decidedly slim. But these have been banks started on a



By H. D. McNellis.

more elaborate scale than the average private bank. The minimum of capital and the ridiculous ease with which the dishonest schemer may embark in this business is surprising, even shocking. Capital enough to pay for office furnishings, rent and printing; this is practically all that is necessary to start a private bank. If there is a little surplus left over to "make a showing with," so much the better for the swindler. But this is not really necessary. When people come to a bank to deposit money they have already made up their minds that the institution is safe. A stack of banknotes in the receiver's cage will assure them, but they will leave their money without it, and this is the chief aim of the bank promoter.

Cheaper Than Starting Grocery.

At the detective headquarters throughout the country can be found records of banks started on less money than it would require to open a first class grocery store or a saloon. Generally the people who suffer from these swindlers are of the poor foreign class, the banks being located in the foreign quarters and often run by foreigners. In these instances the "president" is invariably a countryman of the people he robs.

The man thus starting a bank has many advantages to aid him in his nefarious project. In the first place his acquaintanceship among the people of the foreign quarter is sure to be large. He speaks the tongue of the old country and easily gets the confidence of the people whom he is to victimize. He gets deposits easier than does the man who

goes into the business downtown, and while the deposits are possibly not so large, he gets more of them and needs less capital to start with. The foreigner usually is inclined to keep his money about him, but when once his own people begin to deposit in a bank he is apt to follow like sheep following a leader. He is suspicious of the "American bank," but trusts the bank of his own class implicitly.

Promise High Interest Rates.

The equipment of these banks usually is ridiculously cheap and small. Five hundred dollars is often an excessive estimate of its value. There is a big iron safe, in plain sight of everybody entering the doors, a brass rail, a teller's imposing desk, a few chairs, tables, and a glittering display of gilt, seals, and stationery.

The depositor usually is promised a higher rate of interest than would be given at any responsible institution, but it is not this that attracts the ignorant and credulous in droves that make the life of the promoter one of riches and ease. The idea of finding security for their accumulated savings with one of their own kind is the loadstone that brings the savings out of stockings, and from under beds, and brings it to the safe of the private bank. Some such private banks, run in the foreign quarter, are entirely honest and responsible, yet the fact remains that it is among this class of people that the principal sufferers from dishonest bankers are to be found.

When the deposits have reached an amount

satisfactory to the swindlers, or if the police threaten an investigation, the depositors come to the bank some morning and find their deposits and the banker gone. There is one gang of Italians who have operated thus in the foreign quarters of several cities of the country, and always it is the poor and ignorant who have suffered by their operations.

How to Work Bigger Swindle.

It requires more capital to start a "bank" downtown. The fixtures must be more ornate, a staff must be employed, and the rent is much higher. A thousand dollars in cash, however, is a liberal estimate of what the "presidents" of some of these institutions have possessed. Here it is more difficult to procure deposits. Agents are recruited through agents who spread the news of the new bank's founding among acquaintances. Then there is the smooth talking young man, who gets into the rural districts and interests depositors with the full sounding name of the bank he represents. Quite often the men who conduct these are those whose names have been connected with deals of unsavory nature, yet in spite of this, money comes in on them. Not infrequently the deposits foot up to \$50,000 before the crash comes, and this often on a \$1,000 total capital.

With the wide publicity given to each instance of a fake bank crash it would seem that persons of average intelligence should find out something about a bank before placing their funds in it, yet the list grows. The assumption created is that the penchant of the public for playing with fire in matters financial is in no wise decreasing.

VARIOUS letters have been received by the writer for more information on the subject of figuring profits on merchandise. The information desired is on the method of figuring those profits in the way most likely to avoid error, and unconscious losses, with the accompanying disaster that must overtake those groping in the dark. I contended that the only way to arrive at the proper percentage of profit on any commercial transaction was to ascertain what proportion of the sale was, or would be, profit, never attempting to arrange the percentage of gain by adding to the cost, a percentage of that cost, equal to the amount of profit desired, or, in other words, in adding 25 cents to a dollar, assuming you are making a profit of 25 per cent.

Of course we all know that it is difficult to convince every one on any subject, and bring them all to one way of thinking. In a case like the one before me it probably would be the best way, out of the difficulty to refer those in search of information to the head of the office in any large wholesale house. A visit to any of these houses would, I think, furnish the seeker after information with plenty of it, all of which would be in favor of my contention. I would much like to see this matter brought before the public at large more forcibly than I ever could hope to do it, for as one of my correspondents remarks, "It is a matter of the most intense and vital importance to the business world," and, I might add, but little understood.

Blunder of Contracting Plumber.

Only a few days ago an amusing case came under my observation, going to show how poorly armed for business is he who doesn't understand this subject clearly.

A young business man—a plumber, strange as that may seem—was figuring on a contract. His labor and raw material, he figured, would cost him in round figures \$500. Wanting to make a profit of 20 per cent, he proceeded to add 20 per cent to the cost, making his complete bid \$600. When he got through I asked him how much profit he would make at that rate if he did a business of \$10,000. He answered with a knowing smile and triumphantly \$2,000. I asked him to apply the mode of reasoning by which he had reached that conclusion to the bid before him and see if it would work, and his surprise when he found it wouldn't was great. He had been doing business all along with the idea that adding 20 per cent to the cost would give him a profit of 20 per cent on his business.

Many do it. Every one figuring his profits in that way is up against just such propositions as the above. They never know where they stand, while, if they figure the other way, nothing can undermine their position. Of course, the profit, in dollars and cents, is the same in either case, but the percentage is what we have to do with, and not one single argument can be put forward in favor of figuring the profit on the cost, while any number of them can be brought to bear in favor of the other method.

Take, for instance, the case of a new firm about to engage in business. The first thing they would speculate on would be the amount of business they would be likely to do. The next, the amount of profit they should make. Suppose they should fix the average amount of the latter at 25 per cent, obtaining it of the latter in order of the goods, adding 25 per cent to the cost of the goods. The next thing in order would be figuring their expenses, and one of the first things in that connection to be discussed would be the cost of selling goods. Say they fix this at 8 per cent. Eight per cent of what? The cost? O, no! A salesman must be paid on his sales, and 8 per cent on the sales, in this instance, is the same as 10 per cent on the

basis their general profit was figured on, and so they go down the line, and when they get through they have, say, a profit of 25 per cent and an expense of 20 per cent before them, leaving a net profit of 5 per cent over and above everything, a comfortable margin, but unfortunately, they figured the 25 per cent on the cost of the goods, and the 20 per cent on the sales, and they are one and the same thing, the profit only existing on paper. They do business for a year, take stock, find no profit, go over their books, take stock again, and finally wind up by suspecting their employees. This is a good example of the experience of every firm that tries to do business on this basis, while, had they figured the other way, their position would have been impregnable and they never would have figured themselves out of their just dues.

Man Ruins Employer by Ignorance.

I once heard one of the foremost accountants in New York say of a bookkeeper who had figured his profits that way and brought his firm to ruin: "That man was a worse criminal than the man that steals his firm's money. He ruined his employer by accepting and pretending to be able to fill a position he knew nothing about."

The business man always should bear in mind that a merchandise profit is a gross profit, and the expenses always must be figured against it. It is not necessary to state that figuring one of these on the investment, and the other on the amount of business must lead to error. Don't say you understand and provide for it. What is the use of doing this? Try and find any advantage to be gained by figuring the profit on the cost. There is none that I know of. Ask some merchant, who figures his profit on the cost, the question I asked the plumber, and see what answer you will get. A little study will convince any one with any business experience of the justice of my contention.

How to Figure Profit Correctly.

To figure the profit on any article correctly: Subtract the cost from the selling price, the difference, of course, being the profit. Divide the latter (decimally) by the selling price, and the result will be the true profit, thus: Cost \$5, selling price \$8, profit \$3, and \$3 is contained in \$8.375 times, showing the profit in this instance to be 37 3/4 per cent. For the benefit of those who did not read the former article on this subject, I will repeat the table by which goods can readily be marked at any of the percentages common to business:

To make a profit of 10-2-3 per cent, add 20 per cent to cost.
To make a profit of 20 per cent, add 25 per cent to cost.
To make a profit of 25 per cent, add 33 1/3 per cent to cost.
To make a profit of 33 1/3 per cent, add 50 per cent to cost.
To make a profit of 50 per cent, add 100 per cent to cost.

The highest profit that really can be made in business is 100 per cent, and this can be done only when you get something for nothing, and, having sold it for something, the entire transaction is profit; in all other cases the sale being 100 per cent, and the cost something, the profit is less than 100 per cent. An article costing 10 cents and selling for \$1 pays a profit of 90 per cent, 10 per cent being the cost and 90 per cent the profit. Figure your profits according to the above table, then try if you can figure yourself out of anything.

As to the methods of proof submitted by me in these articles, from first to last, I have this to say: Capricious criticism doesn't amount to anything. The man who is constantly looking for an argument, and trying to frame up impossibilities to prove his case, only injures himself. I can say for those rules that I recently made an inventory, amounting to over \$30,000, and consisting of over 40,000 hard extensions and 1,500 pages of fooling. I think I can figure as quickly and correctly as the next man, but I was glad to use those rules, proving any question of fooling I was afraid of by their aid. I was awarded for my work by a fine present from the general manager, in addition to my regular compensation, he saying at the same time, "I would not believe it possible, but I have had your work carefully examined and have not found a single error." Of course, I was trying to use those rules, not abuse them.

The following table shows the immense advantage of quick sales. It is based on the careers of four \$100 bills invested in business for the term of ten years at a profit of 20 per cent, and turned over with their respective profits at various intervals. The difference in earning power is almost incredible, but can be easily verified:

\$100 turned every two years at 20 per cent profit, for ten years	\$ 805.19
\$100 turned every year at 20 per cent profit, for ten years	803.50
\$100 turned every six months at 20 per cent profit, for ten years	10,844.10
\$100 turned every three months at 20 per cent profit, for ten years	891,722.50

Form Habit of Industry if You Would Succeed.

By Norman Morris.

ONE of the first forms in which advice on how to succeed was first given to the world contained the advice to be industrious. Ever since then, whenever that was, sage advisers have harped on the necessity of cultivating the habit of industry, if success is to be hoped for. The advice has grown stale and bald through repeated use. And yet it remains, as it has always been, one of the best pieces of advice that can be given the young man who has his climb to the top before him. It is the keystone on which the foundation for success in any line of endeavor must be begun. Without it there is no beginning, without a beginning there never is an end. The young man who begins to cultivate industry in the early stages of his career is building well for the days that are to come. He is taking the step that compels success to come to him.

The clerk at his desk, the salesman at the counter, or the mechanic at his lathe listens to this advice and wonders if it is meant for him. From his point of view industry on his part is apt to look like a waste of effort. He has his own little routine of work to do, there is so much work to be done in his daily duties. These duties are of such nature that he doesn't need to bestir himself particularly fast to complete them in the day. Why should he be any more industrious than he is? When he gets a promotion, where he will have a chance to make his efforts count, then is when he will begin to get really industrious.

Raise Pay of Married Men in Order to Save Money.

By O. Z. Newmeyer.

IF you are in business and want to have and keep your employees and pay them lower salaries, the average man at present, offer each one that gets married an increase of \$5 a week in salary.

Any great employer of labor can afford to pay the man a \$5 a week increase if he will get married and then, in ten years, the married man's average salary will be lower than if he remained single. The wife and the \$5 a week increase, especially the wife, will anchor the average worker in his job as long as he can hold it, and after he is married he will demand an increase of salary only when forced to do it.

There is one big employer of labor in a big western city who makes a standing offer to increase the salary of every man who draws over \$15 a week by \$5 on the day he gets married. He figures that he has saved tens of thousands of dollars and maintained a high standard among his workmen by this policy. He does it as an economic proposition, and he reveals figures that show that the married men in his establishment, averaged for twelve years of service each, are paid about \$2.25 a week less than the unmarried men who have been in the service the same length of time.

Married Men Afraid of Jobs.

The explanation he gives is that the married man, while he may ask for an increase in salary, seldom demands it, and still less frequently makes an issue of the salary question by giving the firm its choice between granting the increase or accepting his resignation. When the man assumes wife he grows timid about losing his position, and his timidity and fear increase in direct ratio to the number of children born to him.

"Frequently," this employer told me, "I order the salary of some married man increased after he has served us faithfully for years simply because I know he never will

There are thousands of men daily fooling themselves with this kind of philosophy, and failing because of it. They refuse to believe that it is necessary to be industrious in their first small positions. They "lay back" then, saving their energy, possibly, or possibly merely giving way to the inclination to be lazy. Finally, if they are fortunate, they get their promotion into the positions where their efforts will "really count." And then they wonder why they are unable to be as industrious as they want to, and they stand still or drop back into the ranks, while the man who was industrious from the beginning, the fellow who made a habit of industry, goes on and leaves them behind.

The human animal is above all the adaptive, the easily trained of all creation. But training it must have when it is to do anything that is full of rare effort. A child who is not trained to eat with a fork will use its primitive food handlers. The brain that is not trained to study is lost when confronted with a problem that requires considerable applied thought. And the man who has not trained himself well in the habit of industry from the beginning is lost when he gets into a place where great industry is necessary to his advancement and success. The training of keeping busy that a man gets when he is at the foot of the ladder stands by him and shoulders him on and on.

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that this desire is a natural and beneficial one was amply demonstrated once by a writer, who told how he toured the country when young, and what strong, successful winning traits of character such a trip brought out. He "rode the bumpers" on freight trains in the majority of cases, and generally had a hard time of it.

How to Travel Comfortably.

This is the dangerous way in which many young men get around the country, but there is a way of traveling without cost which leaves this common method far behind and at the same time starts one in that most lucrative of career-selling goods on the road. This job is that of packer and assistant traveling man, a position which hundreds of young men all over the country are holding.

Every traveling salesman who handles clothing, hats, or other bulky goods calling for many kinds of samples enlists the services of a packer or sample man. This always is some bright youth who is either anxious to learn the business or see the country, or both.

His duties are to pack and unpack all goods, to attend to the checking of trunks and valises, and to arrange for the transportation of things which save all of the traveling man's energies for the selling of the goods.

These positions pay \$5 or \$10 a week and all hotel expenses, enabling a youth to learn the business and to fulfill his inherent, natural desire to see the country. Every hotel keeper around the country, every "baggage smasher," and every expressman is familiar with these young assistants of the traveling man, and the tact and diplomacy with which some of them smooth out traveling difficulties stand them in good stead later on in life.

Many Failures Through Habit.

One does not have to search far before he can find startling examples of this truth. Every large commercial institution has its specimen of the noncompetent who is a failure because of his lack of the ability to be industrious. Probably the greatest cause for the condition of these men is the small "snap job." The man who has put in two or three years at a "snap" and who has fallen into the habit of laziness, is not likely to be a hard worker to get along when he gets away from the snap and has to work hard and accept responsibility. The old habits of sitting with empty hands and brain cling to him, and he

after he has got near the top, and without it he never gets to where the top may be seen.

Sample Man Has Excellent Chances.

By Julius D. Holland.

THERE comes a time in the life of every young man with red blood in his veins when he is filled with a strong desire to get out of his present occupation or environment and see the country—tour the other parts of his United States.

Perhaps he has been reading a story of adventure; perhaps the boss has just finished calling him down; or perhaps the fluff-haired office stenographer has been telling him that he can be only one of her numerous brothers—anyway, one reason or another prompts the average young man at a certain period of his youth to leave home.

That this desire is a natural and beneficial one was amply demonstrated once by a writer, who told how he toured the country when young, and what strong, successful winning traits of character such a trip brought out. He "rode the bumpers" on freight trains in the majority of cases, and generally had a hard time of it.

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How a Stenographer Bettered Herself.

By D. E. Brand.

MISS SMITH had been the stenographer of Jones, Brown & Co. for two months, and, to express it in her own way, "was getting dead sore on the job." She had fully recovered from the fears she at first entertained concerning her own importance, and had almost learned to get to the office on time in the morning.

She could take dictation fairly well, and had learned to use the typewriter. She felt aggrieved. She had worked two whole months, and her salary had not been increased. Even her new hat, which gave the hangover effect to her pompadour, had failed to bring results, and her new embroidered sweater did no better.

She resolved to speak with Jones concerning it. She spoke, and Jones grunted. He didn't even look up from his desk. So Miss Smith retired and determined to seek another position. She waited a few days, to see if the grunt meant yes or no, and then, studying the want ads, she selected two and determined to answer them.

How She Applied for Her Job.

This is what she wrote:
X X Y 128—Dear Sir: In answer to your advertisement I will say that I am a young lady of refinement and good appearance. I have had considerable experience as a stenographer and am now employed as confidential secretary by Jones, Brown & Co.

pleased the old man, and the next season

he sent me out with a line of my own. This was my start, and I've been with the firm ever since.

"I left home when I was 18," said another salesman, who handles clothing, "and I 'bummed' around the country doing odd jobs. Finally I secured a job at a hotel in San Francisco as porter. One day a traveling man who stood watching me handle trunks asked me if I would like a position as packer. His assistant had quit in a fit of anger and the traveling man wanted a helper in a hurry.

"I took the job immediately and he bought me a new outfit. Well, I staid with that man for two years and he taught me all that I know about the clothing business. That is certainly the best way for a young man to learn the business."

Many other traveling men could tell a similar tale of starting out as packers, and the young man who has an intense desire to leave the family hearth and who cannot afford a private car would profit by starting out as a traveling man's assistant.

The Answer She Received.

The letters were mailed Saturday afternoon. Monday morning Miss Smith, with her pompadour a trifle more effectively arranged and her paper cuffs a bit more coquettishly set over her shapely arms, took her position—three minutes ahead of time.

Jones arrived and, with a short nod, went to his desk and began opening the mail. Ten minutes later he opened a letter and suddenly sat up straight, reading. Then he exploded with laughter.

"Miss Smith," he called, "Please take dictation."

Why He Was Willing to Change.

"We have been thinking of changing stenographers, because our present one, who is of good appearance, in fact actually pretty, is so sure of her own importance that she does not attend to business. She came to us incompetent and green and did two months of our expense, but she learned her business and made progress on the typewriter. She is constantly trying to make us believe that we are lucky to have her here—and she wants an increase in salary."

We regret that we, too, work in our shirt-sleeves, and use the cupido frequently, but we will try to control the latter habit if you accept a position here, and also we will smile whenever we look at you. Yours sincerely,

That will do, I think."

Since they Understand each other Miss Smith and Jones are getting along famously—and her raise in salary is in sight.

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